

**PART 650—FEDERAL AGRICULTURAL
MORTGAGE CORPORATION
GENERAL PROVISIONS**

Sec.

650.1 Grounds for appointment of a receiver or conservator.

650.5 Action for removal of receiver or conservator.

650.10 Voluntary liquidation.

650.15 Appointment of a receiver.

650.20 Powers and duties of the receiver.

650.25 Report to Congress.

650.30 Preservation of equity.

650.35 Notice to stockholders.

650.40 Creditor claims.

650.45 Priority of claims.

650.50 Payment of claims.

650.55 Inventory, audit, and reports.

650.60 Final discharge and release of the receiver.

650.65 Appointment of a conservator.

650.70 Powers and duties of the conservator.

650.75 Inventory, examination, and reports to stockholders.

650.80 Final discharge and release of the conservator.

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SOURCE: 62 FR 43636, Aug. 15, 1997. Redesignated at 70 FR 40650, July 14, 2005, unless otherwise noted.

§ 650.1 Grounds for appointment of a receiver or conservator.

(a) The grounds for the appointment of a receiver or conservator for the Corporation are:

(1) The Corporation is insolvent. For purposes of this paragraph, insolvent means:

(i) The assets of the Corporation are less than its obligations to its creditors and others; or

(ii) The Corporation is unable to pay its debts as they fall due in the ordinary course of business;

(2) There has been a substantial dissipation of the assets or earnings of the Corporation due to the violation of any law, rule, or regulation, or the conduct of an unsafe or unsound practice;

(3) The Corporation is in an unsafe or unsound condition to transact business;

(4) The Corporation has committed a willful violation of a final cease-and-

desist order issued by the Farm Credit Administration Board;

(5) The Corporation is concealing its books, papers, records, or assets, or is refusing to submit its books, papers, records, assets, or other material relating to the affairs of the Corporation for inspection to any examiner or any lawful agent of the Farm Credit Administration Board.

(b) In addition to the grounds set forth in paragraph (a) of this section, a receiver can be appointed for the Corporation if the Farm Credit Administration Board determines that the appointment of a conservator would not be appropriate when one of the following conditions exists:

(1) The authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

(2) The Corporation is classified under section 8.35 of the Act as within enforcement level III or IV and the alternative actions available under subtitle B of title VIII of the Act are not satisfactory.

(c) In addition to the grounds set forth in paragraph (a) of this section, a conservator can be appointed for the Corporation if:

(1) The Corporation is classified under section 8.35 of the Act as within enforcement level III or IV; or

(2) The authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended.

§ 650.5 Action for removal of receiver or conservator.

Upon the appointment of a receiver or conservator for the Corporation by the Farm Credit Administration Board pursuant to § 650.50 of this subpart, the Corporation may, within 30 days of such appointment, bring an action in the United States District Court for the District of Columbia, for an order requiring the Farm Credit Administration Board to remove the receiver or conservator and, if the charter has been canceled, to rescind the cancellation of the charter. Notwithstanding any other provision of this part, the Corporation's board of directors is empowered to meet subsequent to such appointment and authorize the filing of